ABSTRACT

A money market mutual fund and a method for improving the efficiency of margining exchange-traded futures and options contracts is described. Shares of at least one mutual fund are purchased by a futures commission merchant (FCM) on behalf of itself or its customer. The FCM then transfers or pledges at least a portion of the shares to an associated clearinghouse to satisfy a margin requirement for a futures or options contract. The margin requirement, for example, may be for original margin, variation margin, or both.